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January 17, 2012

State Senator Tracey Eide
PO Box 40433
Olympia, WA 98504

Representative Katrina Asay
467 John L. O'Brien Building
PO Box 40600
Olympia, WA 98504-0600

Representative Mark Miloscia
437A Legislative Building
PO Box 40600
Olympia, WA 98504-0600

Dear Senator Eide and Representatives Asay and Miloscia:

We are writing to you on behalf of the citizens of Federal Way to request your support in addressing the inequitable treatment of the city by the Sound Transit, and more broadly, addressing significant flaws in the agency's structure and operations that put in doubt major goals of regional transit.

On May 17, 2011, Sound Transit informed the City Council that it would not be bringing light rail to Federal Way as promised in the 2008 voter-approved ST2 ballot. Additionally, during the past year the City has fielded numerous complaints regarding Sound Transit's current service to the Federal Way area, including frequent overcrowding on the ST Express Bus route serving Federal Way commuters.

Since learning of the elimination of the Federal Way link, and in response to Federal Way commuter complaints, City of Federal Way officials and staff have engaged ongoing communications with Sound Transit. Among other things, we have attempted to learn how Sound Transit is using our citizens' \$13.5 million in annual transit taxes, as well as to understand how the agency's management and board made the decision to eliminate the Federal Way link segment. The City has also attempted to engage Sound Transit in efforts to address the service needs of our highly transit-dependent, working class community.

We have found both the information gathering and the problem-solving efforts to be stymied by Sound Transit's lack of responsiveness. The agency has made a tactical decision to emphasize service to other, wealthier communities with the apparent belief that no one can or will hold them accountable.

The Washington State Auditor announced January 6, 2012 that his office would be conducting a comprehensive performance audit of Sound Transit. While this is an important step in ensuring that the agency is being managed in a cost-effective manner and conducts itself with accountability and transparency, the audit by itself will not address key concerns the City has voiced. Without legislative relief, Federal Way will continue to be chronically underserved by regional transit, although Sound Transit will continue to collect the same \$13.5 million annually from our taxpayers. Without legislative correction, the agency will continue to build inequity into the regional transit system, refuse to provide performance audits as required by law, and mislead the public with confusing ballot measures.

We are thus requesting the following pieces of legislation this session to address both Sound Transit's inequitable treatment of Federal Way's taxpayers and broader structural and operational flaws of the agency itself.

- 1) Transit Tax Fairness Act: In the event Sound Transit determines it will not provide planned infrastructure and/or services within the timeline stated in the voter-approved plan, this legislation requires that Sound Transit provide immediate transit-related services to a city in an amount that is at least 33% of the revenue collected from within that city. This amendment provides mitigation for promises made to cities that Sound Transit later determines it is unable to perform.
- 2) Performance Audit: Requires Sound Transit to perform annual performance audits. The State Auditor's 2008 Performance Audit found that Sound Transit had failed to perform annual performance audits as required by ST2. Sound Transit has ignored the Auditor's finding. This amendment would codify the annual performance audit requirement.
- 3) Explanatory Statement: Prohibits ballot measures from referencing documents that are not included in their entirety as part of the ballot's explanatory statement. The ST2 Plan was not included in the ST2 ballot proposition or explanatory statement. The ballot measure simply referenced the ST2 Plan as adopted by Sound Transit.
- 4) Subarea Equity: Further defines subarea equity to provide a fair and consistent application of the concept. Subarea equity is not required by State law. If used, it must identify revenues that will be raised in subareas and how those revenues will be used to benefit those subareas. Under State law, subarea equity is limited to benefits received by residents within a subarea. However, Sound Transit through ST2 broadened the definition of benefits to include both residents and businesses, but then failed to identify how businesses within a subarea were benefited. This allowed, for example, the North King Subarea to be exempt from paying for any costs associated with bus or Sounder service even though the North King subarea is the end point for both of those services.

This amendment would require that if Sound Transit uses subarea equity in future Sound Transit plans that it identifies the benefits that residents and businesses receive as it apportions the costs of the transit service among the subareas.


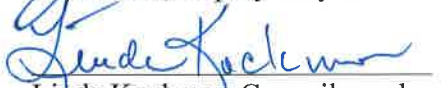
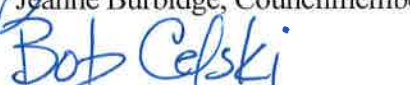

5) Ballot Format: Requires that the duration of a tax imposed by a ballot proposition be stated in the ballot title and prohibits Operation and Maintenance propositions and Capital Project propositions from being combined in the same proposition. ST2 contains both capital projects and the operation and maintenance costs associated with those projects. There is no date for when the taxes will be rescinded and there is no mechanism that prevents taxes for capital projects from being converted to operation and maintenance costs. This has resulted in Sound Transit being unaccountable for its operations and maintenance costs since instead of cutting those costs it can simply cut capital costs and extend the taxes indefinitely.

In the January 12, 2012 letter from Senator Eide and Representative Asay regarding earlier legislative concepts, concerns were raised about "dismantling Sound Transit." We also understand there are some concerns about disrupting the agency's bonding authority. We have taken these concerns into account.

The five legislative proposals described above do not threaten the agency's bonding authority, nor pose a threat of "dismantling" the regional transit authority. Due to the previous voter approval of ST1 and ST2 and the bonding authority conferred by the voters, it would not be possible from a practical standpoint to dismantle the agency, nor would it be in the interest of the City of Federal Way.

The City Council and I welcome the opportunity to further discuss these essential legislative reforms of the Puget Sound Regional Transit Authority. These pieces of legislation are critical to ensuring Federal Way taxpayers receive true transit tax equity, and will provide important corrections to Sound Transit's operation as a regional transit agency. The City of Federal Way is greatly appreciative of your commitment to the Federal Way community and we look forward to your support of the proposed regional transit reforms.

Sincerely,


Skip Priest, Mayor
Jim Ferrell, Deputy Mayor
Linda Kochman, Councilmember
Susan Honda, Councilmember
Jeanne Burbidge, Councilmember
Bob Celski, Councilmember
Roger Freeman, Councilmember
Dini Duclos, Councilmember